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## NEWS RELEASE

April 13, 2007

### **Promoter Selling Vitamins, Medical Devices Accused of Securities Fraud**

***Investors were told the company would soon go public, not told of bankruptcy. . .***

**SALT LAKE CITY, Utah** – The Utah Attorney General's office filed a 13-count criminal information against Johnny Anthony Sanchez on April 10 for his role in soliciting \$145,000 from four investors claiming the money would be used to take his company public. Sanchez, a resident of South Jordan, was the owner of Nutrateg, LLC, a company that Sanchez claimed was making and selling dietary supplements. Today, the Utah Division of Securities also issued an Order to Show Cause against Sanchez and against his company, Nutrateg, LLC, also based in South Jordan. Some of the investor monies were used to pay Sanchez's personal expenses.

In both cases, the state alleges Sanchez told investors Nutrateg produced and sold dietary supplements comparable to Slim Fast products. He told them the market for Nutrateg products was good and the company was doing well. Sanchez said the money would be used to expand Nutrateg and produce new products as well as taking the company public. He claimed Nutrateg was developing a dietary supplement that would stabilize blood sugar levels in diabetics and produce huge profits for the company. Some investors were told the company controlled a medical device that could scan human bodies to determine vitamin deficiencies.

The actions allege that investors were sold promissory notes that would pay interest of 14-18% annually. The investors were told there was no risk involved in the investment and that Sanchez personally guaranteed the investment. Sanchez said the investors could withdraw their investments at any time. He claimed the company had been in business for four or five years, when the company had been formed just months before. What Sanchez did not tell investors, according to the Division, was that at least one prior investor in a related company had lost all his money. Sanchez took money from two investors shortly after Sanchez filed for bankruptcy.

One of the investors took money from his retirement account. The proceedings allege that Sanchez arranged for a business partner to sign a form claiming the business partner was the investment advisor for the investor, in order to withdraw money from the investor's 401(k) account. The investors all asked for a return of their money. One was repaid, but the others received little or nothing back.

The criminal charges allege eight counts of securities fraud and five counts of theft. The theft charges relate to Sanchez using some of the investor monies for his personal expenses. In criminal cases, the defendants are presumed innocent until proven guilty at trial or upon entry of a plea.